

Message Text

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45

ACTION ARA-20

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-07 PA-04 RSC-01 PRS-01 SPC-03 SS-20

USIA-15 EB-11 AID-20 IGA-02 OMB-01 COME-00 STR-08

TRSE-00 CIEP-02 DRC-01 /140 W
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P R 291445Z MAR 74

FM AMEMBASSY BUENOS AIRES

TO SECSTATE WASHDC PRIORITY 5863

INFO AMEMBASSY BRASILIA

AMEMBASSY SANTIAGO

UNCLAS BUENOS AIRES 2277

BRASILIA AND SANTIAGO FOR SHULTZ.

E.O. 11652: N/A

TAGS: ESTC, EGEN, PFOR, AR, CU.

SUBJECT: MINISTER OF ECONOMY GELGARD REACTS STRONGLY TO
SECRETARY SHULTZ' STATEMENT ON ARGENTINE AUTOMOBILE
SALES TO CUBA.

REF: BA 1708; BA 2040.

1. MINISTER OF ECONOMY JOSE GELBARD ISSUED A PRESS RELEASE
MARCH 28 CONTAINING VERY STRONG COMMENTS ON A STATEMENT
ATTRIBUTED BY THE PRESS TO SECRETARY SHULTZ CONCERNING THE
SALE TO CUBA OF AUTOMOBILES MANUFACTURED BY SUBSIDIARIES OF
AMERICAN COMPANIES IN ARGENTINA.

2. THE COMPLETE COMMUNIQUE, AS PUBLISHED IN MARCH 28
AFTERNOON NEWSPAPERS AND MOST MARCH 29 MORNING NEWSPAPERS (
NOT PUBLISHED BY "LA PRENSA OR "MAYORIA"), READS AS FO-
LLOWS:

"ON MARCH 26, THE U.S. SECRETARY OF THE TREASURY GEORGE P.
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SHULTZ STATED THE 'ARGENTINE-U.S. ISSUE OF AUTO SALES TO CUBA

IS NOT SO MUCH AN ECONOMIC MATTER AS ONE OF FOREIGN POLICY'. THE STATEMENT WAS PICKED UP BY THE U.S. NEWS AGENCY ASSOCIATED PRESS AND RELAYED TO ITS REGULAR CLIENTS, BEING PUBLISHED IN THIS CAPITAL BY THE DAILY "LA NACION" AND OTHER MEDIA.

THE SECRETARY OF TREASURY REPORTEDLY HELD THAT "AUTHORIZATION FOR THE SUBSIDIARIES OF THE THREE MAJOR AMERICAN AUTO MANUFACTURERS TO SUPPLY 13,000 VEHICLES REMAINS UNDER STUDY'.

"WE BELIEVE THAT THE SECRETARY OF TREASURY, IF THE REMARKS ATTRIBUTED TO HIM WERE CORRECTLY REPRODUCED, IS COMPLETELY WRONG. WHILE THE HEART OF THE MATTER IS NOT THAT THE UNITS BEING NEGOTIATED NUMBER MORE THAN 42,000, AND NOT 13,000 AND ASIDE FROM THE FACT THAT

THE TRANSACTION IS BEING CARRIED OUT INCLUDING SPARE PARTS AND TECHNOLOGICAL ASSISTANCE, WE UNDERSTAND IT IS OUR DUTY TO CLARIFY THAT THE ABOVE-MENTIONED OPINION IS COMPLETELY OUT OF PLACE AND TIME.

ARGENTINA, AS EXPRESSED MANY TIMES, AWAITS NOBODY'S AUTHORIZATION FOR COMPANIES ON HER SOIL TO DO BUSINESS WITH NATIONALS WITH WHICH IT MAINTAINS NORMAL DIPLOMATIC RELATIONS. IF THE TREASURY SECRETARY FAILED TO NOTICE THIS DETAIL, IT WAS BECAUSE SOME MECHANISM OF INFORMATION DOES NOT FUNCTION PROPERLY IN HIS SPHERE OF ADMINISTRATION. SINCE MAY 25, 1973, THE DECISIONS MADE BY THE ARGENTINE GOVERNMENT ARE SUBJECT TO CONSULTATION EXCLUSIVELY WITH ITS PEOPLE.

FURTHERMORE, THE STATEMENTS OF THE TREASURY SECRETARY CONSTITUTE A LAMENTABLE MISTAKE TOWARDS A COUNTRY LIKE ARGENTINA, THAT HAS NEVER VIOLATED THE PRINCIPLE OF RECIPROCAL RESPECT NOR INTRUDED UPON OTHER STATES' DECISIONS.

AT ANY RATE, WHAT WAS SAID OVERREACHES THE MOST ELEMENTARY NORMS OF DISCRETION, A FACT WHICH SINCERELY SURPRISES US AT A TIME IN WHICH MANKIND HAS STARTED THE DIALOGUE OF DETENTE AND HAS STARTED THE ERA OF UNDERSTANDING.

WE BELIEVE THE ABOVE-MENTIONED REMARKS ARE NOT CONSISTENT WITH THE POLICY OF DETENTE. THEREFORE, IT IS OUR OPINION THAT THE STATEMENTS ATTRIBUTED TO THE SECRETARY OF THE TREASURY ARE NOT SHARED BY THE GOVERNMENT OF HIS COUNTRY, WHICH NO DOUBT RESPECTS THE SOVEREIGNTY OF THE ARGENTINE REPUBLIC."
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